

**DRINKER BIDDLE & REATH LLP**

A Delaware Limited Liability Partnership

500 Campus Drive

Florham Park, New Jersey 07932-1047

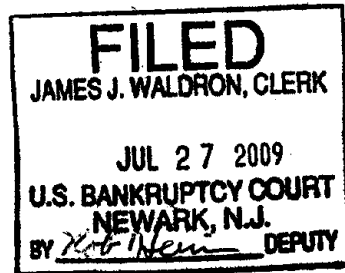
(973) 549-7000

Attorneys for St. Mary's Hospital, Passaic, N.J.

Debtor and Debtor-in-Possession

Robert K. Malone (RM 1098)

Frank F. Velocci (FV 2185)



**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY**

In the Matter of:

**ST. MARY'S HOSPITAL, PASSAIC, N.J.**

Debtor-in-Possession.

(Hon. Morris Stern)

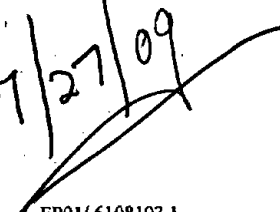
Chapter 11

Case No. 09-15619 (MS)

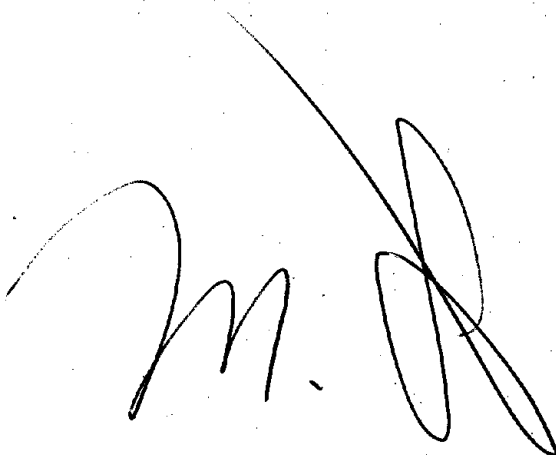
**ORDER EXTENDING INTERIM MODIFICATIONS TO COLLECTIVE BARGAINING  
AGREEMENTS PURSUANT TO 1113(e) OF THE BANKRUPTCY CODE**

The relief set forth on the following pages, numbered two (2) through three (3), is hereby

**ORDERED:**

7/27/09  


FP01/6108193.1



Debtor:	ST. MARY'S HOSPITAL, PASSAIC, N.J.
Case No.	09-15619 (MS)
Caption of Order:	ORDER EXTENDING INTERIM MODIFICATIONS TO COLLECTIVE BARGAINING AGREEMENTS PURSUANT TO 1113(e) OF THE BANKRUPTCY CODE

**THIS MATTER** having been opened to the Court by St. Mary's Hospital, Passaic, N.J., the debtor and debtor-in-possession herein ("St. Mary's", "SMH" or the "Debtor"), by and through its attorneys, Drinker Biddle & Reath LLP, by way of Application in support of its Motion for an order extending interim modifications to collective bargaining agreements pursuant to section 1113(e) of chapter 11, title 11 of the United States Code (the "Bankruptcy Code"); and upon due deliberation and for cause shown, it is hereby

**ORDERED**, as follows:

1. Commencing with pay period starting July 12, 2009 and for the following thirteen

(13) weeks, all union employees shall incur a four percent (4%) pay reduction. In addition, all

pay raises under any Union Contract that were scheduled to go into effect <sup>between April 2009</sup> ~~are revoked~~

*and October 16, 2009 are suspended, and shall spring back into effect upon expiration of this Order.*

2. Commencing with pay period starting July 12, 2009 and for the following thirteen

(13) weeks, all union employees shall contribute twenty percent (20%) of the cost of premiums towards their respective medical and dental insurance plans.

3. Continuing with the payment due on July 31, 2009 and for such payments due on

August 30, 2009 and September 30, 2009, funding to the JNESO and Local 68 union pension

plans shall be suspended, *with the Debtor remaining obligated to fund same\* at some time after October 16, 2009, pursuant to a further order of the Court.*

4. Commencing with pay period starting July 12, 2009 and for the following thirteen

(13) weeks, the following work rules in the Union Contracts identified below in parenthesis are hereby modified:

- Suspension of the Baylor Plan (Nurses' Contract)

*\* and the previously suspended pension plan payments*

Debtor:	ST. MARY'S HOSPITAL, PASSAIC, N.J.
Case No.	09-15619 (MS)
Caption of Order:	ORDER EXTENDING INTERIM MODIFICATIONS TO COLLECTIVE BARGAINING AGREEMENTS PURSUANT TO 1113(e) OF THE BANKRUPTCY CODE

- Overtime to be paid on productive hours actually worked (All Union Contracts)
- Suspension of paid lunch breaks (JNESO Contracts)

5. The Court shall conduct a hearing on Thursday, July 30, 2009 at 9:30 a.m. in order to consider the issue that the Court raised *sua sponte* of whether employees of the Debtor that were affected by post-petition wage and benefit reductions are entitled to administrative claims. All responsive pleadings shall be filed and served on or before 12:00 p.m. on Tuesday, July 28, 2009.

6. The Debtor's counsel shall serve a copy of this Order in accordance with the Case Management Procedures within <sup>one day</sup> ~~seven (7) days~~ of the date hereof.

and (ii) whether the Court's Administrative Fee Order of June 30, 2010 should be modified.